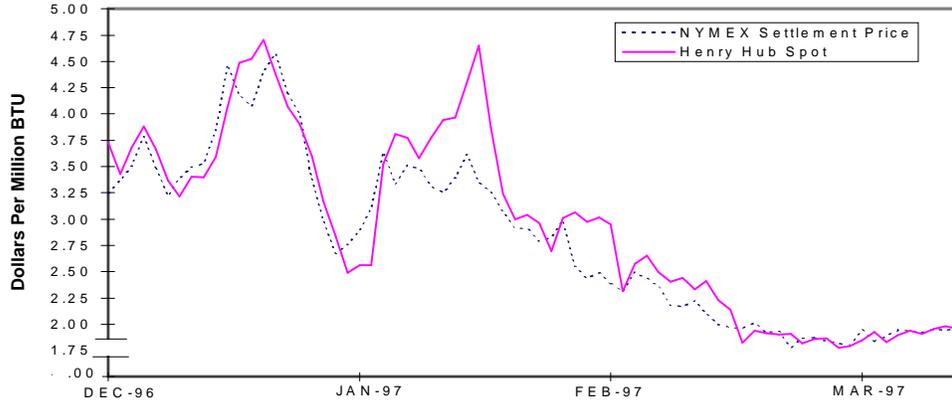


NYMEX Future Prices vs Henry Hub Spot Prices

HENRY HUB PRICE		
CASH	FUTURES	
Mar	Apr	
Del	Del	
(\$ per MMBtu)		
03/10	1.92-1.96	1.937
03/11	1.89-1.93	1.919
03/12	1.93-1.99	1.955
03/13	1.95-2.01	1.942
03/14	1.92-1.99	1.960

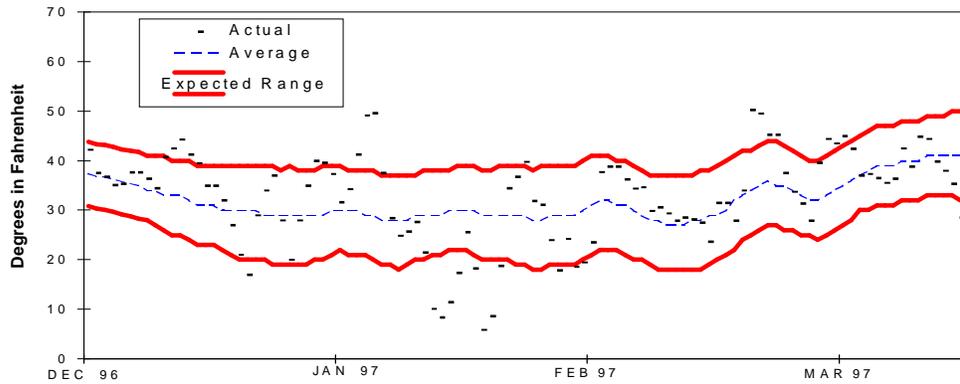


Note: The Henry Hub spot price is from the GAS DAILY and is the midpoint of their high and low price for a day.

Average Temperature for Four Major Gas Consuming Metro Areas

(Chicago, Kansas City, New York, and Pittsburgh)

Average Temperature for Four Major Gas Consuming Areas			
	Actual	Normal	Diff
03/09	39	40	-1
03/10	45	40	5
03/11	44	41	3
03/12	40	41	-1
03/13	38	41	-3
03/14	35	41	-6
03/15	29	41	-12

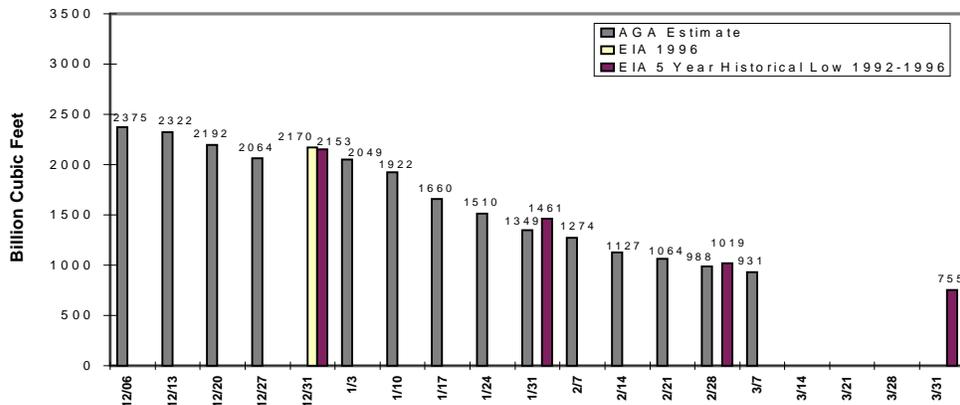


The bounds are computed by adding and subtracting from the average temperatures for the last 10 years an amount equal to twice an estimate of the standard deviation for temperatures on a day.

Working Gas In Storage 1996-1997

Working Gas Volume as of 03/07/97		
	BCF	% Full
EAST	526	29
WEST	165	34
Prod Area	240	26
U. S.	931	29

Source: AGA



The NYMEX futures price for April delivery opened Monday, March 17, at \$1.990 per MMBtu, \$0.03 more than Friday's settlement price. Temperatures moderated the first part of last week before turning cooler after mid-week. This was especially true in the upper Midwest where daytime temperatures were in the 20's and 30's in Minneapolis, Milwaukee, and Chicago. The cooler weather spread east, and by Saturday similar daytime temperatures were recorded in Cleveland, Pittsburgh, and Boston. Two weeks earlier, daytime temperatures in these eastern cities were in the 60's. Prices were generally stable on the spot and futures markets at the Henry Hub last week. The spot price moved up less than 4 cents and ended the week at about \$1.95 per MMBtu, while the futures settlement price increased less than 3 cents over the entire week. The price of West Texas crude oil displayed some volatility during the week but by Friday was at about the same level as last week at \$21.30 per barrel. Estimated working gas in storage continued to be more than 25 percent higher than last year's levels, and some storage operators added gas to their facilities during the first week of March.

Storage: The American Gas Association (AGA) estimate for storage withdrawals for the week ending Friday, March 7, was 57 Bcf, about 20 Bcf less than the previous week's estimate. During this period, about 3 Bcf of working gas was added to storage facilities in the Producing region. The current AGA estimate indicates that 931 Bcf of working gas was available with just a little over 3 weeks remaining in the heating season. This estimate is significantly more than last year's level of 740 Bcf at the same time. However, the level of working gas at the end of March will probably be considerably lower than the average of recent years. Based on EIA data for the previous 5 years (1992-96), the average level of working gas on hand at the end of March has been almost 1,125 Bcf, with a high of 1,542 in 1992. Again using EIA data, average net withdrawals in March during the past 5 years were 257 Bcf, for an average weekly rate of 58 or about 8 Bcf a day. If the cool weather of last week returns and something close to this average weekly rate of net withdrawals is maintained, overall working gas in storage at the end of March may again be near last year's record low of 755 Bcf.

Spot Prices: Last Monday the spot price at the Henry Hub was about \$1.95 per MMBtu, and by Friday the price remained about the same with a midpoint price of \$1.96. The late week drop in temperatures in the Midwest and the Northeast appeared to have no real impact on price levels, as most major markets reported flat prices on Friday or even slight declines of 1 to 4 cents. The continuing adequate levels of working gas in storage with little more than 2 weeks remaining in the heating season may be contributing to the general price stability in the markets.

Futures Prices: As with the cash market, the price of the April futures contract for delivery at the Henry Hub showed little or no movement during the week and settled on Friday at \$1.96 per MMBtu—less than 2 cents higher than the previous week. Last year at this time, the April contract was trading at \$2.523 per MMBtu, more than \$0.55 higher than today's price. Futures price volatility is relatively low. Last week the daily range was between \$0.04 and \$0.08 per MMBtu with a daily average of \$0.06. This is less than one-third as large as average values in mid-January during trading of the February contract, which settled at \$2.986 per MMBtu

Summary: Even with the return of some colder-than-normal temperatures, prices have remained generally stable over the last 2 weeks. Storage levels continued to be viewed as better than adequate for the remaining 2 plus weeks of the heating season.